

A Planned Approach To

SERVICE DEPARTMENT OPERATION

STACKING AND CONTROLLING PARTS INVENTORY



The Vendo Company
Customer Services

INTRODUCTION

This is a guide. It is designed to suggest methods and procedures for setting up and maintaining a parts department. If properly administered, an adequate stock of spare parts is not expensive. Parts records do not have to be complicated. Procedures can be simple. The goal of a record system is to provide a history of the movement of each item to insure reasonable stocking of parts. It is important to tailor this material to the particular requirements at hand.

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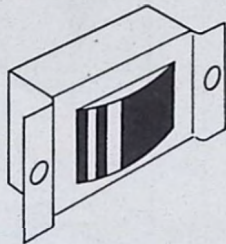
THE VENDO COMPANY

Customer Services
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Kansas City, Missouri 64126

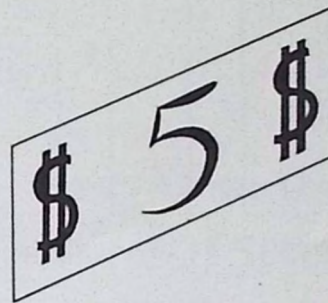
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• WHY IS IT NECESSARY TO STOCK PARTS?

A part costing five dollars and a five dollar bill — is there any difference, as far as value to your company? Of course, the answer is no.



A Five Dollar Part



A Five Dollar Bill

Many times a part worth \$5.00 — \$10.00 — \$20.00 or more is left lying around the shop, or in a corner some place. How often is a five dollar bill left lying in a corner? There is no difference as far as value to the company.

A parts stock is an investment made by your company to insure top service by preventing lost sales due to inadequate maintenance of the vending equipment. A parts stock is an insurance policy, and a moderate amount of insurance is good business.

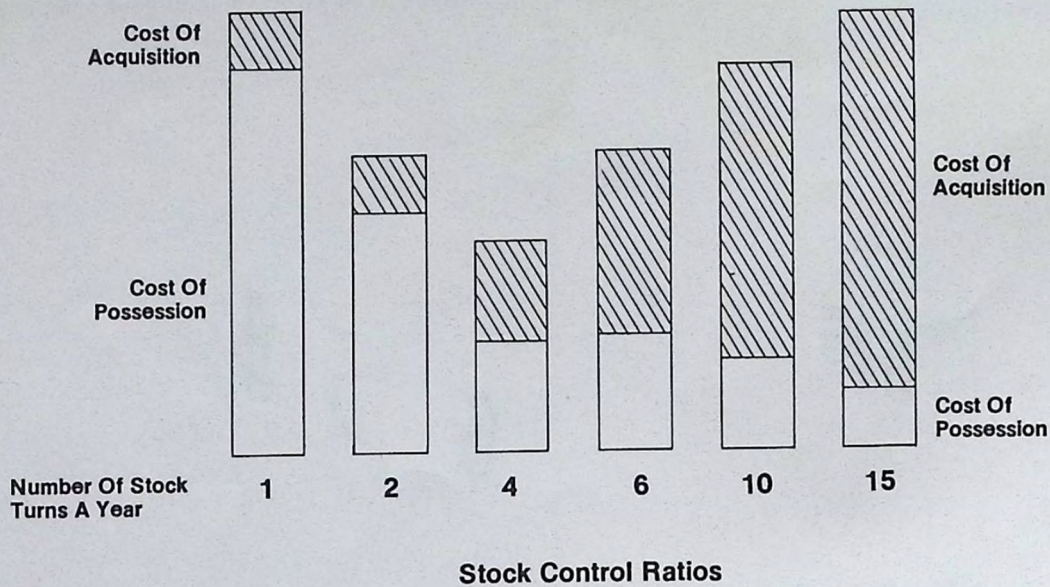
WHAT MOST PEOPLE THINK OF INVENTORY

Many people think that an inventory system must be elaborate, complicated, and will tie up a man full time. Actually the reverse is true; it will save time and money.

If parts are ordered from an estimate or guess, overstock of certain parts will result; often an understock of needed parts occurs also.

A simple control system regulates the purchase of parts according to usage, and will eliminate:

1. Overstocking of slow moving and inactive parts, and —
2. Understocking of fast moving parts.



STOCK TURNOVER

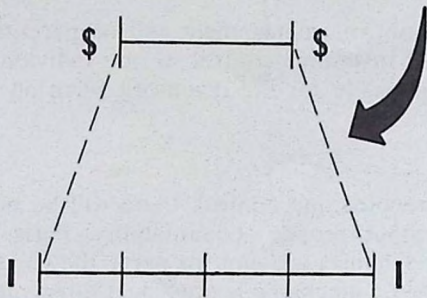
Costs Of Possession and Acquisition

The costs associated with a parts stock fall into two categories. Cost of possession includes all expense involved in storing, handling, and re-handling parts. Building costs, heat, lights, supervision, and labor also fall into this category.

Cost of acquisition, the other expense category, includes all costs involved in acquiring the parts, such as purchase requisition, purchase order, handling of paper and material until the parts are in the bins.

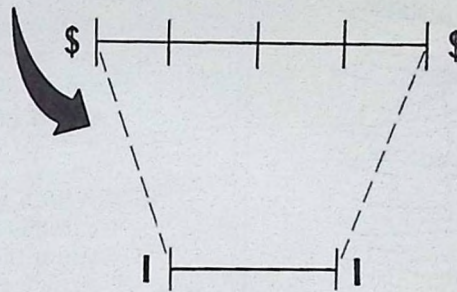
As shown in the chart above, too slow a turnover increases cost of possession. Too fast a turnover increases cost of acquisition.

THIS



**The Goal Should Be
Dollars Turning Over
1 - 2 - 3 - 4 Times A Year**

NOT THIS



**Less Than One
Turn Of Stock**

STOCK TURNOVER (Continued)

In the example below, Parts Department "A" has a stock turnover once a year. The inventory value is \$20,000 and the value of the parts used is \$20,000. Parts Department "B" also used \$20,000 worth of parts but has an inventory value of only \$5,000. The stock has turned over four times.

Departments	A	B
Stock Turnover	One Time	Four Times
Inventory	\$20,000	\$5,000
Parts Used	\$20,000	\$20,000

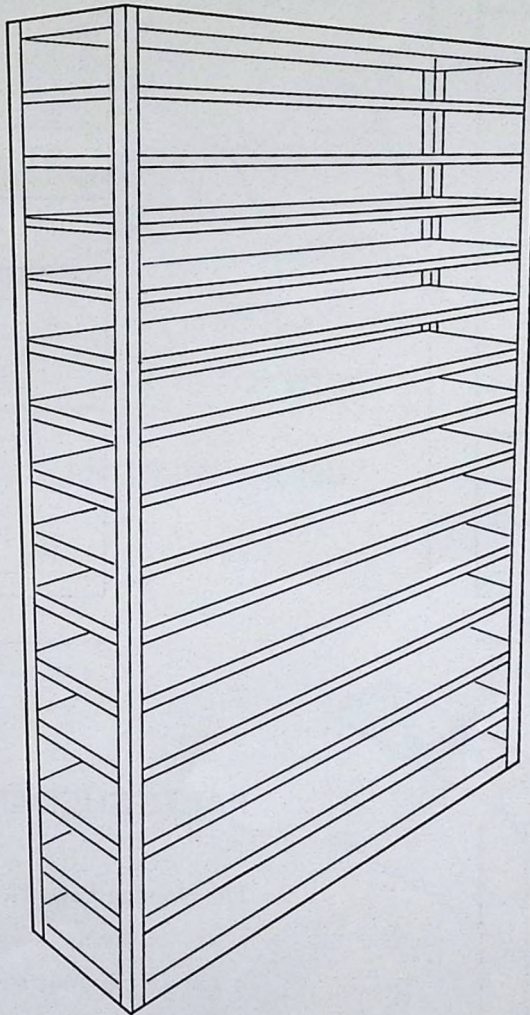
ADVANTAGES OF INVENTORY CONTROL

A high level of efficiency in the area of parts availability can result if proper records and control are maintained. Some of the advantages are:



1. The Accounting Department will have a record of asset value and can control inventory procedure by audit.
2. With records and control, management will be permitted to assign the responsibility of inventory control to one individual. One person cannot be responsible for the inventory when all people have access to it.
3. With a system of records and control, there will be no loss due to careless usage without proper accountability. Parts Departments admit that when mechanics account for parts, the parts usage drops as high as 50%. When a mechanic is not asked to account for a part, he is encouraged to become a **parts changer**.
4. Records eliminate the condition where a part might be on hand in two or three different bins. An order could be placed when one bin becomes empty, if there is no written record of parts that are available in other bins or on the service trucks.
5. With records, a proper inventory level will be maintained and overstock can be controlled. Parts will not be on hand when machines are discontinued. Usage figures will permit a declining purchase and phasing out of parts stock as machines are phased out. Many Parts Departments have purchased parts in excess of their needs. It is not uncommon to find a three year supply of parts on the shelf. Some items will last as long as six and ten years, based on immediate past usage.
6. With a price list, manuals, and records available, parts can be purchased that are needed to repair the equipment, not parts that are convenient to use. Many times a complete assembly will be ordered when only a part is needed.

**UNREGULATED BUYING
IS IMPRACTICAL
AND COSTLY**

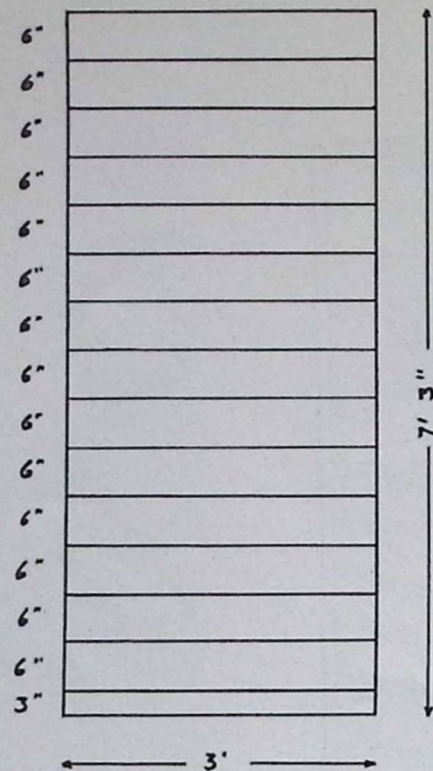


PARTS SHELVING

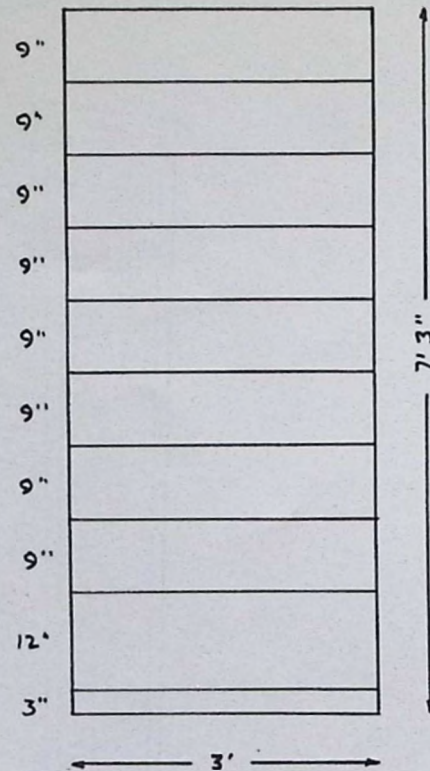
As far as asset value to a company, it is well to remember that there is no difference between a five dollar bill and a five dollar part. Anyone responsible for company money would certainly put it in a safe place. Every effort would be made to prevent it from being damaged or lost. But what about parts? Its value is five dollars also. Parts are often stored in such a way that they become damaged or misplaced.

Economical, efficient metal shelving is available for parts storage. All that is needed is shelving consisting of four corner posts and a lot of shelves. See the drawing above.

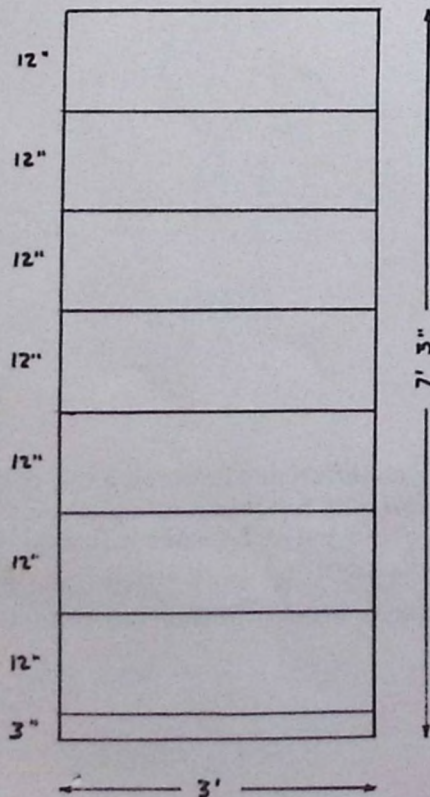
6" SHELF SPACING



9" SHELF SPACING



12" SHELF SPACING



PARTS SHELVING (Continued)

The average Parts Department shelf spacing will be:

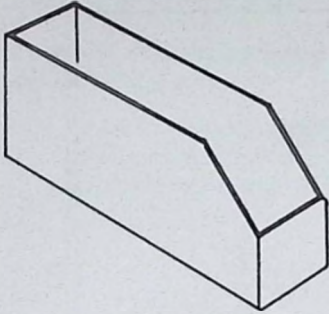
50% of the units with shelf spacing of 6"

25% of the units with shelf spacing of 9"

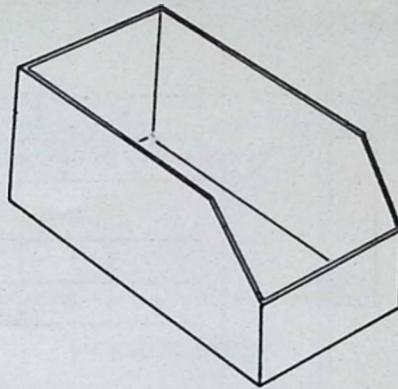
25% of the units with shelf spacing of 12"

Recommended bins are 12" deep, 3' wide, and 7'3" high.

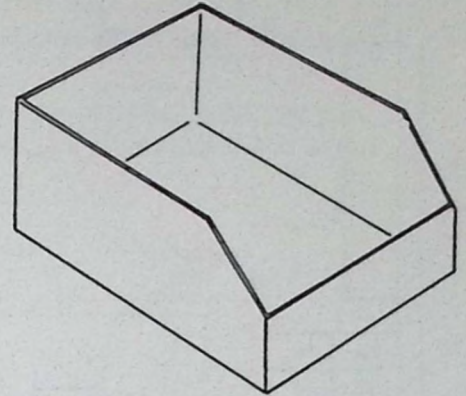
CARDBOARD PARTS BOXES



3" WIDE

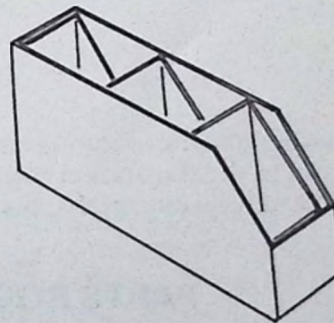
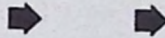
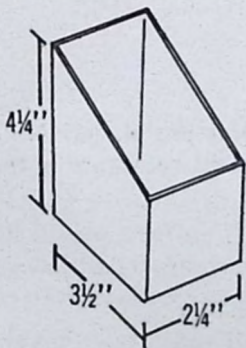


5 1/2" WIDE



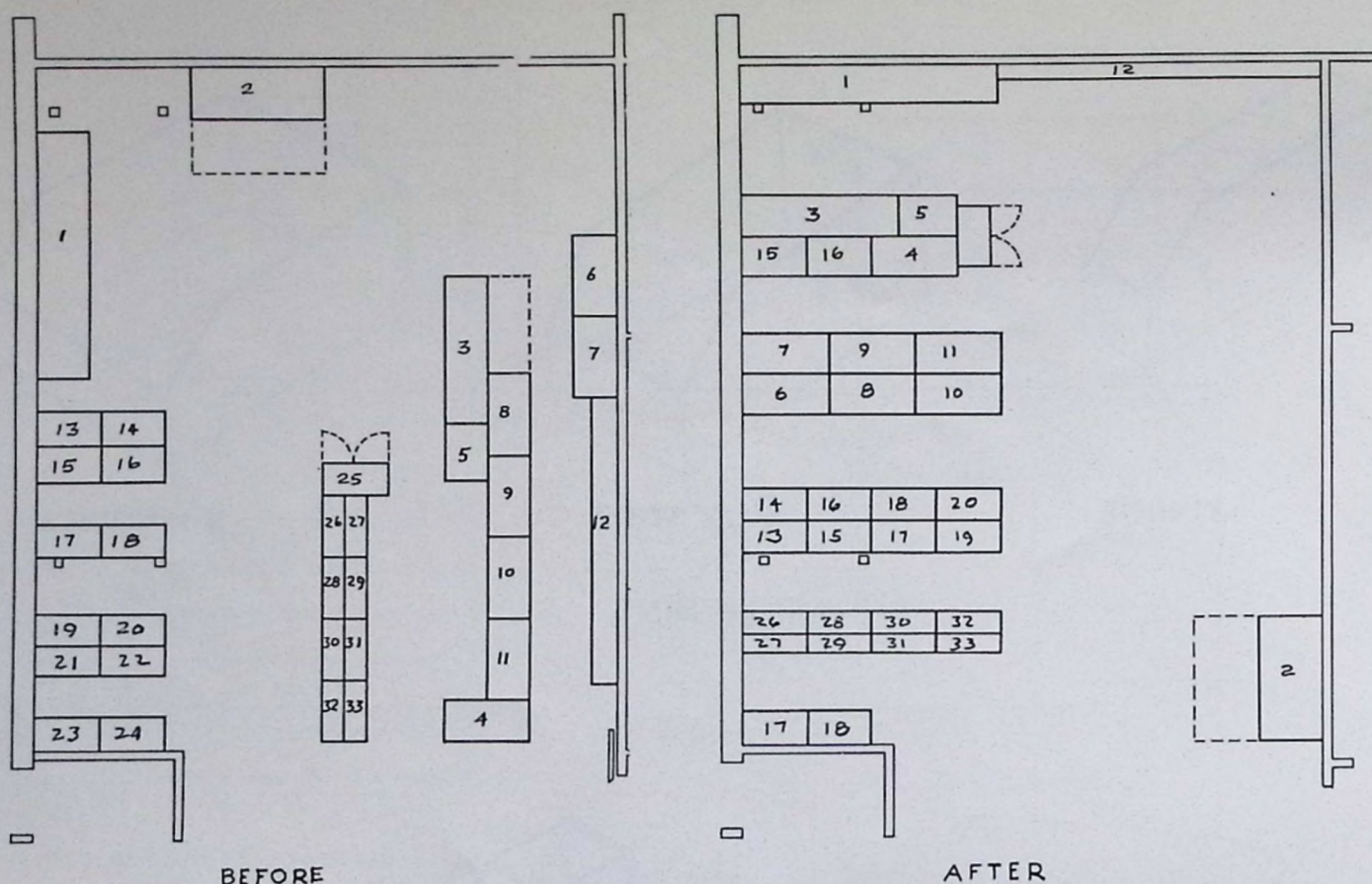
8 1/4" WIDE

AND MINI – BINS



CARDBOARD PARTS BOXES

Cardboard parts boxes are recommended because they are both economical and convenient to use. This type of box keeps the parts from spreading out on a shelf and allows more parts to be stocked in a given area. They can be purchased in various widths. With the use of a press-on label for identification, it is an inexpensive way of parts storage.



This before and after drawing illustrates the advantage of making a layout before the bins are placed. Note the shelving units and racks in the illustration marked "Before," the same shelving units and racks are in the layout marked "After." The new layout results in almost 50% saving of space.

PARTS ROOM FLOOR PLAN

It is suggested that a floor plan be made before positioning bins. The steps are as follows:

1. Determine the number of bins and racks needed, and make scale drawings, $1/4" = 1'$. (Grid paper may be purchased drawn to scale.)
2. Lay the models on the mat or grid. The grid is also drawn in $1/4"$ squares.
3. Position to conserve the most floor space and achieve the best work flow.
4. Allow 3' aisles between bins.
5. Position back to back where possible.
6. Use wall space.
7. Use aisle as working aisle if it does not interfere with traffic.
8. Aisles should not be over 10 or 12 feet long without a "cut through aisle". This will eliminate "back-tracking".
9. Adjustable racks 2' or 3' deep are usually positioned to one side of the parts area near the door. Items stored on racks are usually heavy, and it is desirable to place them closer to the door.
10. High usage items are in front; this is usually the smaller parts, 6" shelf spacing. Follow with the 9" spacing, and the 12" spacing is usually placed in the back of the parts area.

SET UP THE CONTROL SYSTEM

At this point, all shelving units are set up. An assortment of cardboard boxes should be on hand. The steps are as follows:

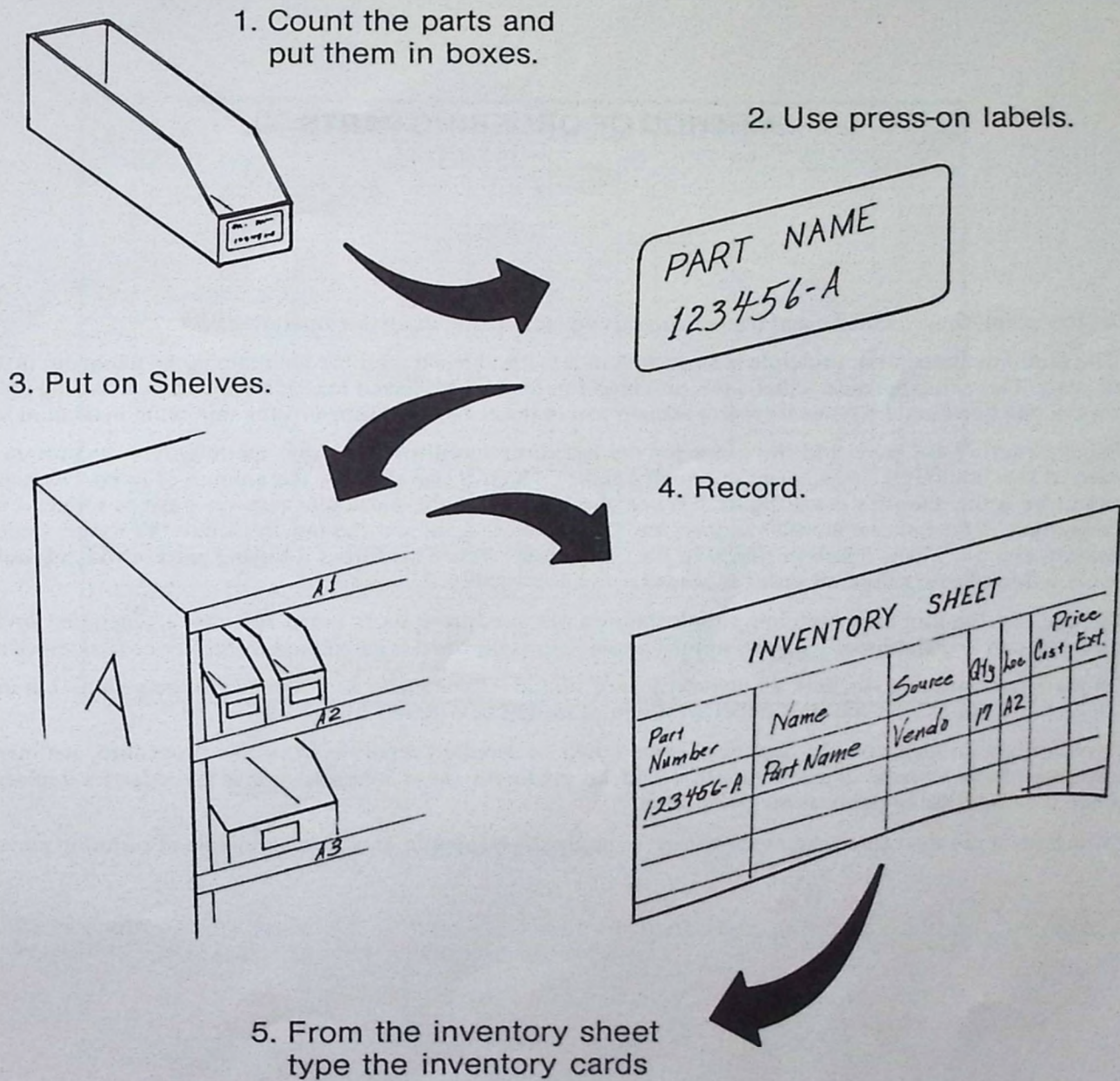
1. Take inventory. Begin by placing the parts in a box of the correct size and writing the part name and part number on the press-on label. Put the label on the parts box and place the parts on a bin shelf. After parts are put on several shelving units, proceed with step two.

INVENTORY SHEET						
Part Number	Name	Source	Qty.	Loc.	Price	
					Cost	Ext.

2. Prepare an inventory sheet with the headings shown above. Count the number of parts in each box. This will insure starting the new inventory control system with correct information and will also provide the Accounting Department with an up-to-date inventory for dollar valuation. From the parts box label, write the part number, name, source, and quantity on an inventory sheet.
3. It is suggested that a coding system for the bin location be used. Letter the bins and number the shelves. For example: The top shelf in the first bin of row one would be A-1. The second shelf in the first bin of row one would be A-2.
 - a. Put the parts on the shelves in the manner which will permit the easiest handling; small parts and small boxes on higher shelves, larger parts and larger boxes on lower shelves.
 - b. **Do not** make any attempt to keep parts in part-number sequence or even by manufacturer. It is important that the parts be stored in the smallest area possible.
 - c. Give the inventory sheet to a typist. Many systems fail at this point. If management assigns preparing the inventory cards to the parts man, in most cases it will not be done. He seldom has time.

NOTE: It is most important that a location system be set up and used. It will save time in locating each item for a parts order. Also, if a parts man is absent or on vacation, another person can step in and use the system.

SET UP THE CONTROL SYSTEM (Continued)



METHOD OF ORDERING PARTS

At this point, bins, location, and proper records are set up and ready for operation.

The minimum-maximum principle is suggested as a method to be used for maintaining an adequate inventory of parts. This principle means that a low and high figure are established for each part. In maintaining an inventory of parts on hand, the objective is to remain within the range established by the minimum-maximum figures.

When ordering any part, add the usage for the last three months. Order that quantity. On the bottom of the card in the "minimum" box, write in pencil a figure which is one-third of the amount ordered. (Actually this would be a one-month's usage figure.) When the balance of the particular part on hand is reduced to that "minimum" figure of one-month's supply, the buyer should again add the last three-month's usage. Order that amount and put a new figure in pencil in the "minimum" box. **This forces a buying pattern which is automatically adjusted every time an order is placed.**

By applying the min-max principle to information obtained from parts usage records, a scheduled inventory turnover can be established. The inventory procedure as outlined is calculated to turn over four times a year.

On parts not normally stocked, an inventory card should still be made and included in the system, but marked "NOT STOCKED". As this part develops usage, it should be ordered for stock.

Transactions on high volume, low cost items could be handled separate from this procedure. An inventory schedule of each week or each month could be made on these items to see if an order for replacement is needed (tape, spray paint, nuts, bolts, etc.).

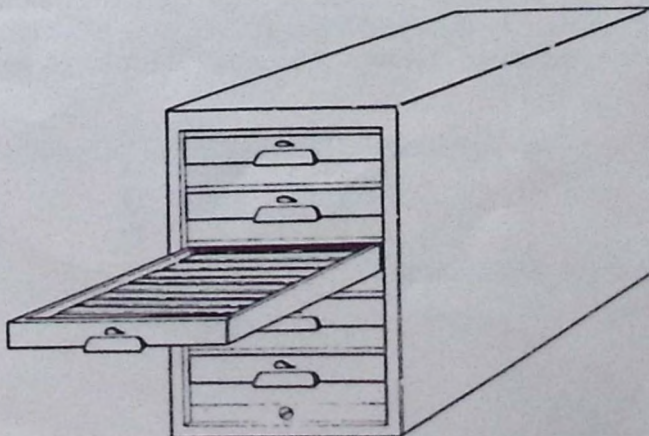
Examples on the next three pages show how to apply the minimum-maximum principle of ordering parts.

METHOD OF ORDERING PARTS (Continued)

[illegible]

Example A

From the inventory sheet a typist makes the cards. Sort by manufacturer and then put them in numerical order. Remove the point scale and insert cards in a card cabinet.



METHOD OF ORDERING PARTS (Continued)

B

ON ORDER					RECEIVED AND DELIVERED														
DATE	FACTORY NO.	QTY.	QUANTITY	DATE	REFERENCE NO.	QUAN. REC'D	QUAN. DEL'D	BALANCE O. N.	DATE	REFERENCE NO.	QUAN. REC'D	QUAN. DEL'D	BALANCE O. N.	DATE	REFERENCE NO.	QUAN. REC'D	QUAN. DEL'D	BALANCE O. N.	
1-29	1234		24	1966					3-4			1	18	18				3	20
2-6	Rec'd		24	12-27	INV			17	6			1	17	19				2	18
3-29	1264		30	28			1	16	7			2	15	22				2	16
4-4	Rec'd		30	29	(3)		2	14	11			1	14	25				2	14
4-30			50	1967					13			1	13	26				2	12
5-7	Rec'd		50	1-2			1	13	15			1	12	30	(28)			2	10
				4			1	12	18			1	11	5-2				3	7
				5			1	11	21			1	10	3				2	5
				10			2	9	28			1	9	7		50			55
				16			1	8	29	(11)		1	8						
				29	(8)		2	6	4-1			1	7						
				2-6		24	1	29	2			1	6						
				9			1	28	4		30		36						
				12			1	27	5			1	35						
				16			2	25	8			2	33						
				19			1	24	10			2	31						
				21			1	23	11			1	30						
				26			1	22	12			2	28						
				28			1	21	15			2	26						
				29	(11)		2	19	16			3	23						

USED ON MODEL

BOUGHT FROM

MAX.

MIN.

COST

LIST

PART NO.

NAME

Vendo

17

123456

Relay

A-2

Example B (Inventory Increasing)

The inventory 12-27-1966 was 17.

Note the year is posted only one time and the month one time. The minimum is 6. This is a starting minimum arrived at by dividing the starting inventory by three.

At the first entry the following month a line is drawn across the card. Post the new year and the new month only one time.

The minimum of 6 is reached on 1-29. We do not have a three months' usage. Take the usage for the month times three. $3 \times 8 = 24$. Order 24. Post the information in the "on order" section. Change the minimum to 8. On 2-6 draw a line across the card, and circle the months' usage. On 3-4 again draw a line, and circle the months' usage. On 3-29 the minimum is reached. Add the last three months' usage, $8 + 11 + 11 = 30$, and order 30. Log "on order". Divide by three, and put 10 (the new minimum) in the minimum box. On 4-4 30 were received. Log 30 in the "on order" column. The usage starts to go up rapidly in April. On 4-30 the minimum was reached.

April	usage	28
March	usage	11
February	usage	11
		50

Order 50 and post. Change the minimum to 17.

METHOD OF ORDERING PARTS (Continued)

ON ORDER					RECEIVED AND DELIVERED														
DATE	FACTORY NO	QTY	QUANTITY		DATE	REFERENCE NO	QUAN. REC'D	QUAN. DEL'D	BALANCE O. H.	DATE	REFERENCE NO	QUAN. REC'D	QUAN. DEL'D	BALANCE O. H.	DATE	REFERENCE NO	QUAN. REC'D	QUAN. DEL'D	BALANCE O. H.
2-9	1234	24			1966					3-18	(5)	1		22					
2-16	Rec'd	24			12-27	INV			17	28	(5)	1		21					
7-30	1264	9			28	(7)	1		16	4-1		1		20					
					1967					5		1		19					
					1-2		1		15	8		1		18					
					4		2		13	18		1		17					
					5		1		12	29	(5)	1		16					
					10		1		11	54		1		15					
					16		2		9	15		1		14					
					29	(8)	1		8	22	(3)	1		13					
					2-6		1		7	6-11		1		12					
					9		1		6	25		1		11					
					12		1		5	27	(3)	1		10					
					13		1		4	7-10		1		9					
					16		24		28	30	(3)	2		7					
					21		1		27										
					26	(6)	1		26										
					3-7		1		25										
					13		1		24										
					15		1		23										

USED ON MODEL		BOUGHT FROM		MAX.	MIN.	COST	LIST
		Vendo			3		

PART NO.	NAME	LOCATION
123456	Relay	A-2

Example C (Inventory Decreasing)

The January usage was 8. On 2-9 the minimum was reached. Order $3 \times 8 = 24$. Post the "on order" section. Change the minimum to 8.

Usage —

February	6
March	5
April	5
May	3
June	3
July	3

Add the usage for the last three months, $3 + 3 + 3 = 9$. Order that amount (7-30). Divide by three, and put this figure in the minimum box.

NOTE: As usage declines the minimum declines and the ordering declines.

PARTS RECEIVING PROCEDURE

A procedure is needed for receiving parts to properly control the status of the order. The procedure should include backorder follow-up and inspection for damage.

A procedure for receiving parts will include the following:

1. When receiving parts, the cartons are opened and checked for damage. If any parts are damaged, claim for loss is to be filed with the carrier.
2. From the inventory card, write the bin location of each part on the packing slip.
3. Count the parts as they are put in the bin. Check them off on the packing list to be certain that all parts charged on the packing list are received.
4. If parts are backordered from the supplier, check the acknowledgement, it will give the shipping dates. Hold the acknowledgement in a follow-up file.
5. Post the quantity of each item received to the inventory card. Initial the packing list so it can be matched with the invoice and forwarded to the Accounting Department for payment.
6. If the part is new and has not received a location, an inventory card is made out and a location assigned.

PROCEDURE FOR DISBURSING PARTS

Accountability of inventory is a major responsibility of the Service Department. To accomplish this, strict disbursing procedure is necessary to control the parts inventory.

1. Parts should only be issued upon receipt of a properly written parts order from a shopman. This order should include the shop workorder number and should be charged to the job the part will be used on.
2. Parts are replaced on the service trucks when the serviceman presents a copy of the service call ticket. This ticket will show the parts used on a job. The serviceman must also return the part removed from the machine; this part has a material return tag attached to it.
3. When the serviceman checks out a part not stocked on his truck, the parts man lists this part on the truck inventory sheet. The serviceman is now responsible for the part or its replacement.
4. The parts man should keep a separate file to record parts which are not normally truck stock but are drawn by truck servicemen. These could be standard 3 x 5 cards and filed in numerical sequence by part number. If a part appears often enough in the 3 x 5 cards, it may be necessary to add it to the truck stock and delete a slower moving part.
5. Hardware and miscellaneous supplies will not be inventoried but will be issued as required (bolts, nuts, washers, tape, touch-up paint, etc.)
6. All major shop tools are accounted for by charging to the individuals who are using them.

METHOD OF TAKING INVENTORY

When the inventory card system is in effect, two methods of physical inventory can be used to adjust parts records.

Scheduled Inventory

At the end of a designated time period such as each quarter or an accounting year, a physical inventory of parts is taken. An actual count of parts is matched with the figure on the inventory card. If they do not match, the inventory card is adjusted and the Accounting Department notified of the revised figure.

Perpetual Inventory

A designated number of cards is inventoried on a rotating basis on a predetermined schedule. For example: If an inventory of 1,000 items are stocked, eight cards each day or forty cards a week are checked. This adjusts the parts stock inventory every six months.

A further breakdown can be obtained by dividing the inventory cards into several sections. The high cost and low cost items may have separate schedules for inventory. Management may want the inventory of high volume parts of a designated cost to be adjusted on a more frequent schedule.

If a parts bin is emptied while an order is being filled, a bin check should automatically be taken.

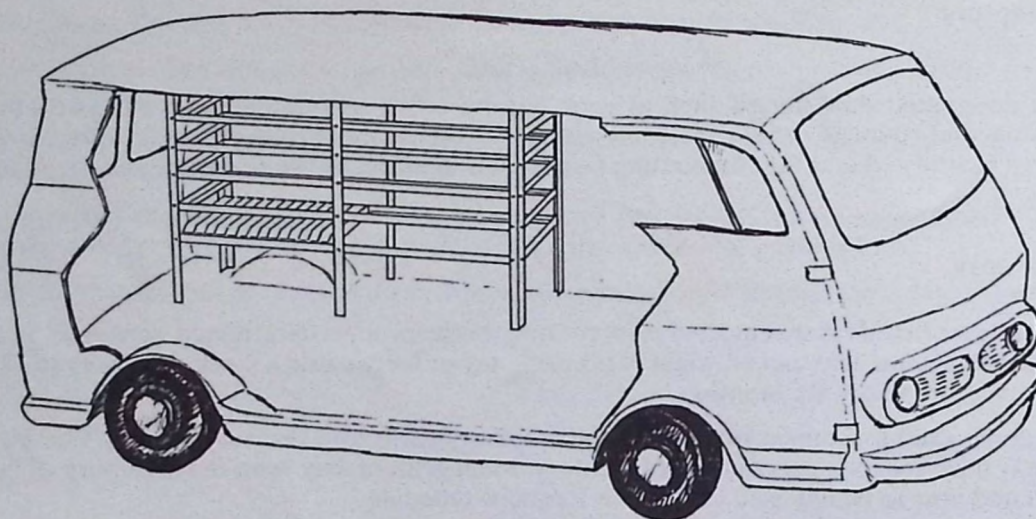
SERVICE TRUCK PARTS INVENTORY PROCEDURE

When the service truck inventory is based on a statistical parts usage, the proper parts will generally be available when they are needed. The control of the service truck inventory involves the use of a service ticket. This service ticket is made out for each service call and the parts used are listed.

If a service ticket is not used by mechanics when they make a service call, use some other method of determining parts used on each service call. The following procedure of establishing service truck inventory is based on actual parts usage.

1. All service tickets are accumulated for each serviceman for thirty days.
2. At the end of the thirty-day period, parts and quantity used will be logged on an inventory sheet.
3. This inventory sheet becomes the truck inventory stock. Adjust the quantity to a determined usage figure. At this point, all parts on the truck should be removed. Stock only parts shown on the inventory sheet.
4. Accumulate service tickets for another thirty days, then make corrections to the original list of parts. (This becomes thirty-days' usage based on sixty-days' experience. Do not stock parts used once each sixty days.)
5. Hold the service tickets for another thirty days (ninety-days' usage.) Review the truck stock and correct if necessary.

SERVICE TRUCKS



The selection of a versatile truck body is most important. To determine the particular truck type to fit your requirements, you may want to answer these questions:

1. Will it be used exclusively as a repair and maintenance truck? If so, it does not have to be equipped for heavy loads. It should be selected for economy of operation, and body type should provide weather, dust, and pilferage protection, plus easy access to the permanent inventory of parts and tools.
2. Will it be used to transport venders? If so, it should be equipped with a power lift gate and a sturdy framework for tying down the venders. It also should have enclosed boxes or compartments to protect the parts and tools.
3. Will it be used part time by another department? If so, it should still be provided with protective compartments, preferably removable, for parts and tools.
4. Will it be used exclusively in heavy traffic conditions? If so, it should be of the smallest practical size for ease of handling traffic and parking.
5. Will it be used for rural or long-distance travel? If so, the type of terrain will help dictate the selection.
6. Will it be used to transport product in cases? in tanks?

TRUCK INVENTORY

The steps as outlined below maintain the truck inventory.

When the serviceman removes a defective part from a machine, it is suggested that a material return tag be completed. All of the information needed is available at this time. The serviceman knows the part number as it must be listed on the service ticket. The machine model and serial numbers are also available.

1. Attach a material return tag to the defective part.
2. Return the defective part to the parts room.
3. A copy of the service ticket or the defective tagged part will act as a parts requisition to replace the part on the truck.

The inventory sheet on the following page is used for the truck inventory records.

One way of parts distribution to mechanics is to assign each man an individual cabinet or bin. At the beginning of the day he deposits the used parts, with tags attached. The parts are processed and replaced during the day. The new parts are picked up the following morning.

**White
Parts Room Copy**

SERVICE TRUCK PARTS RECEIPT	
Part Name	_____
Part No.	_____
Source	_____
Truck No.	_____
Driver	_____
PARTS DEPT. by _____	

**Hard Copy
For Mechanic**

PARTS DEPT. by _____

When a mechanic turns in a defective part to the parts room, a new part will replace it. If the parts room is temporarily out of stock, the parts receipt (hard copy) is issued to the mechanic. This is his receipt for the part and his requisition to replace the part. The parts room copy is used as a follow-up to replace the part on the service truck.

TRUCK INVENTORY - PARTS

Truck No. _____

Date: _____

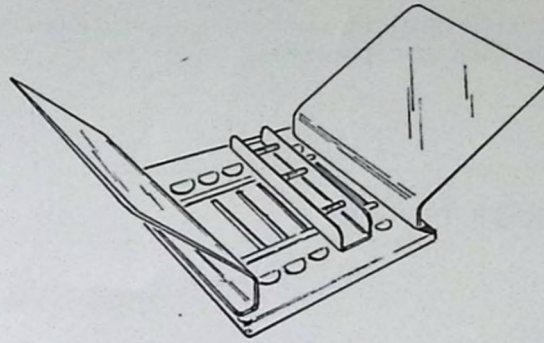
QUANTITY	PART NO.	PART NAME	SALES PRICE
TOOLS			

Above parts and tools received by:

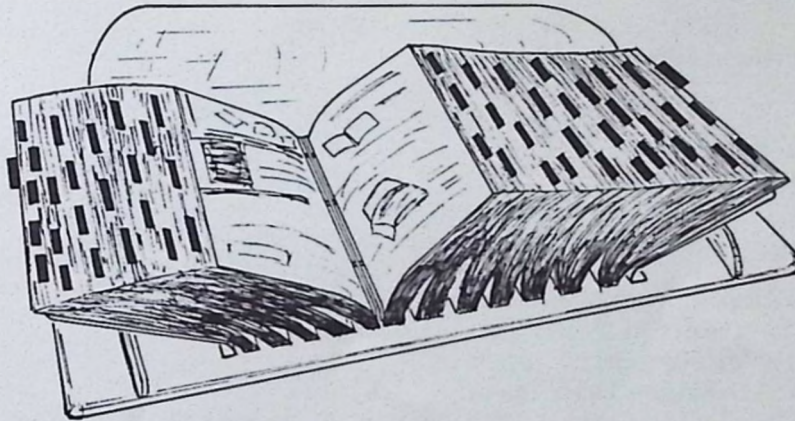
 Serviceman

Remarks: _____

CATALOG HOLDER



CATALOG STAND



CATALOG THE PARTS AND SERVICE MANUALS

A systematic arrangement for manuals in a central location is necessary to provide immediate parts ordering information.

Too many times a manual cannot be located and individual descriptions or names are substituted for a manufacturer's part number. This may cause a delay by the supplier in filling the order, and the possibility of an error is increased.

Obtain all parts service manuals and parts price lists for the equipment presently used and catalog them for reference. These should remain permanently at the service manager's desk or in the parts room. If additional copies are needed, they should be ordered for the field serviceman or shop personnel.

RETURNED MATERIAL

The outline below traces all the possible steps in obtaining a replacement and credit for the return of a warranty part. See the following page for a simpler method.

Parts Manager:

- Writes requisition
- Files copy
- Sends the copies to Service Manager for approval.

Service Manager:

- Approves requisition
- Sends to Purchasing Department.

Purchasing Department:

- Types purchase order
- Keeps copy in file for follow up
- Mails order
- Sends copy to Parts Manager
- Sends copy to Accounting.

Parts Manager:

- Files copy of purchase order with requisition.
- Receives part
- OK's packing slip
- Sends packing slip to Purchasing Department to clear open order.
- Puts part in stock.

Purchasing Department:

- Matches packing slip with pending purchase order.
- Refiles copy of purchase order in closed file.
- Sends packing slip and/or appropriate copies of purchase order to Accounting Department.

Accounting Department

- Receives copy of purchase order and/or packing slip from Purchasing Department.
- May hold or file pending receipt of supplier's invoice.
- Matches invoice and packing slip.
- Posts to Accounts Payable.
- Issues check in payment.
- Files invoice and other documents.
- Files copy of check.

Parts Manager:

- Prepares Material Return Ticket to return inoperative part to request supplier for in warranty credit.
- Packs and ships part
- Keeps copy of tag.

Accounting Department:

- Receives Credit Memo.
- Checks accuracy with Parts Manager.
- Posts credit memo to Accounts Payable account.
- Files credit memo.
- Adjusts payment accordingly.
- Files credit

**THIS IS NOT
RECOMMENDED.
SEE NEXT PAGE.**

**BY REPLACING PARTS ON THE VENDO MATERIAL RETURN TAG
THE . . .**

Parts Manager simply does the following:

Prepares Material Return Ticket to return inoperative part
and to request supplier for in warranty replacement.
Keeps copy of ticket in an "open" file.
Packs and ships inoperative part.
Receives replacement part with packing slip (at no
charge if the inoperative part met terms of
supplier's warranty).
Removes copy of ticket from "open" file.
Puts replacement part in stock.

NO Requisition

NO Purchase order

NO Posting to ledgers

NO Invoices

NO Unnecessary filing

NO Payments

NO Credit memos — — TO PROCESS!!

THE VENDO COMPANY MATERIAL RETURN TAG PLEASE COMPLETE ONE FOR EACH ITEM RETURNED	
TAG FOR INSTRUCTIONS SEE BACK OF SHIPPING	FROM _____
	ADDRESS _____ CITY _____ STATE _____
	PART NUMBER _____ PART NAME _____
	REASON FOR RETURN _____
	THIS INOPERATIVE PART, REFRIGERATION SYSTEM, OR ICE MAKER WAS REMOVED FROM:
	MACHINE MODEL NO. _____ MACHINE SERIAL NO. _____ REPLACEMENT DATE _____
	COMPLETE THE FOLLOWING FOR REFRIGERATION UNITS AND ICE MAKERS
	INOPERATIVE UNIT SERIAL NUMBER: _____
	THE INOPERATIVE UNIT WAS REPLACED BY UNIT SERIAL NO: _____
	THE REPLACEMENT UNIT WAS TAKEN FROM OUR STOCK (PLEASE CHECK): YES _____ OR FROM ANOTHER MACHINE: MODEL NUMBER _____ SERIAL NO. _____
PLEASE CHECK ONE: <div style="display: inline-block; vertical-align: top; margin-left: 20px;"> <input type="checkbox"/> REPLACE WITH A LIKE PART OR REFRIGERATION SYSTEM <input type="checkbox"/> CREDIT OUR ACCOUNT. WE PURCHASED A REPLACEMENT WITHIN THE PAST 30 DAYS. IT WAS BILLED TO US ON YOUR INVOICE NO. _____ </div>	
DATE _____ SIGNED _____	
FORM AM-08 <div style="float: right; text-align: right;"> KEEP THIS COPY FOR YOUR RECORDS 19899 </div>	

RETURNED MATERIAL

Many times parts will not be returned for proper in-warranty credit unless there is written procedure for mechanics to follow. The following procedure usually insures the in-warranty replacement of all parts.

When the mechanics return defective parts, the material return tag will be attached. The parts man does the following:

1. If in warranty, the parts man will keep a copy of the tag for the file and ship the part to the supplier for replacement.
2. The part will be replaced by checking the proper square on the material return tag and replacing it no-charge, thus eliminating the invoicing and credit paper.
3. The Parts Department copy of the material return tag will be held until the part is replaced.

SAMPLE FORMS

Reprinted on the following pages are forms that are available at no cost from Vendo Customer Services.

AIR MAIL PARTS ORDER FORM

A supply of the air mail postage-paid order form on pages 28 and 29 is available from Vendo Customer Services.

A parts order form puts all transactions in writing and this reduces the chance of getting the wrong part. When the parts man personally writes a part number he wants, there is less chance for a misunderstanding.

HOW TO ORDER PARTS

These instructions detail each step and includes all of the information needed to order parts.

PROTECT YOUR WARRANTY

This pictorial concept outlines the easy steps involved in returning a **part**.

PROTECT YOUR WARRANTY

A pictorial return procedure for **refrigeration units**.

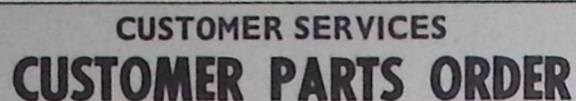
BEFORE RETURNING A REFRIGERATION UNIT

The **stop and check** sheet can be used as a guide to train mechanics.

RETURNED MATERIAL

Step by step procedure explaining how to return parts.

All of this material should be available to the Parts Department in their procedure book.

[illegible]

FORM NO. Y2A - REV. 7/66

THE PARTS ORDER FORM
IS A POSTAGE FREE ENVELOPE.

FIRST CLASS
Permit No. 3000
Kansas City, Mo.

VIA AIR MAIL

BUSINESS REPLY MAIL

No Postage Stamp Necessary If Mailed In United States

— Postage Will Be Paid By —

THE VENDO COMPANY
Customer Services
999 Corrington Avenue
Kansas City, Missouri 64126

FOLD ON DOTTED LINE

THE VENDO COMPANY

How To Order Parts

When ordering parts, include the following information:

1. Shipping address.
2. Address where the invoice should be sent.
3. The number of parts required.
4. Always refer to the pertinent parts and/or service catalog for the correct part number and description of a specific part.
 - a. If you do not have the right parts catalog at the time you order, contact the Technical Literature Department, c/o Customer Services Division, 999 Corrington Avenue, Kansas City, Missouri 64126. They will provide a copy for you.

Don't hold the order pending receipt of the parts book — use the most accurate description you can (and the model number and serial number of the machine); include the name of the assembly in which the part is used and, if practical, a sample part. Furnish any information which will enable our order department to pinpoint the exact part needed.
 - b. When "RIGHT" and "LEFT" are used in connection with the name of a part, it is taken to mean that the person is facing the machine.
5. Always include model number and the serial number of the machines for which the parts are needed on the order.
6. List any special shipping instructions.
 - a. Always note on the order if you require air or air special, truck, parcel post, or rail. If a specific carrier is desired, note it on the order.
 - b. The Vendo Company pays freight on shipments unless air or other premium methods are requested.
7. Sign the order and note the date entered on the order.
8. When a purchase order number is used, be sure that it is legible and visible.

Mail your order to the nearest of these three locations:

The Vendo Company
Customer Services
2700 South Broadway
Los Angeles,
California 90007

The Vendo Company
Customer Services
999 Corrington Ave.
Kansas City,
Missouri 64126

The Vendo Company
Customer Services
No. 1 Plant Road
Hasbrouck Heights,
New Jersey 07604

All orders are carefully packed and inspected prior to shipment. Damage incurred during shipment should be reported at once and claim filed with the terminating carrier.

THE VENDO COMPANY

Protect your warranty

Procedure for replacement of an inoperative part or assembly . . .

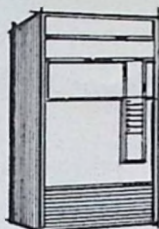
When part or assembly becomes inoperative . . .

Maintenance Man Does —

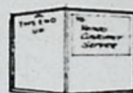
Vendo Customer Services Does —

1

Determines part is inoperative.

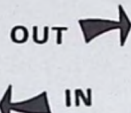
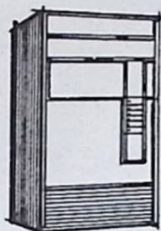


1



Receives inoperative part.

2



Installs stock part in place of inoperative part.

2

3

Material Return Tag

DATE: _____

TIME: _____

REPLACE WITH LIKE PART: ☐

SUPPLY CABINET MODEL NO.: _____

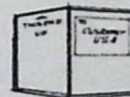
SUPPLY CABINET SERIAL NO.: _____

THE VENDO COMPANY

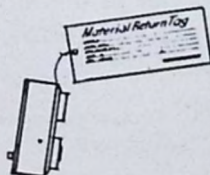
Completes Material Return Tag:

- (A) Checks box "Replace with like part"
- (B) Supply Cabinet Model No.
- (C) Supply Cabinet Serial No.

Ships replacement part.



4



Ties tag to inoperative part and ships to The Vendo Co. Customer Services.

(SEE SHIPPING INSTRUCTIONS ON TAG)

3

The Vendo Company

INVOICE

TO: _____

FROM: _____

DATE: _____

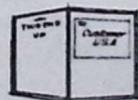
QUANTITY: _____

UNIT PRICE: _____

TOTAL: _____

5

Receives replacement and stocks for future use.



An Invoice will be issued to allow you to clear your records. There will be no charge if the returned inoperative part meet the terms of the warranty.

THE VENDO COMPANY

Protect your warranty

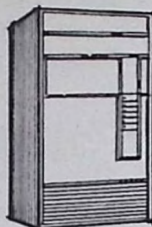
Procedure for replacement of an Inoperative Refrigeration system or Ice Maker

When Refrigeration system or Ice Maker becomes inoperative

Maintenance Man Does —

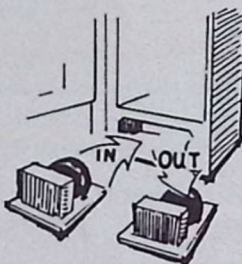
1

Determines unit is inoperative.



2

Installs stock unit in place of inoperative unit.



3

Material Return Tag

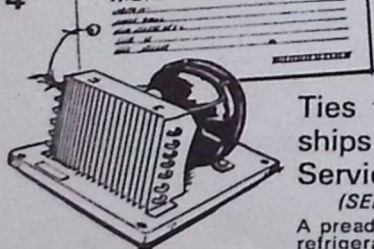
☐ (A) Replace with like part.
 (B) Cabinet Model No. _____
 (C) Cabinet Serial No. _____
 (D) Defective Serial No. _____
 (E) Replacement Unit Serial No. _____
 (F) Date replacement installed. _____

Completes Material Return Tag giving:

(A) Checks box "Replace with like part." (B) Cabinet Model No. (C) Cabinet Serial No. (D) Defective Serial No. (E) Replacement Unit Serial No. (F) Date replacement installed.

4

Material Return Tag



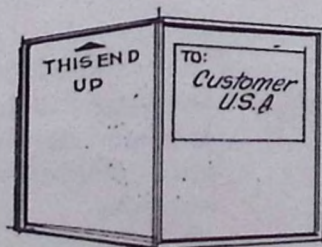
Ties tag to inoperative unit and ships to The Vendo Co. Customer Services.

(SEE SHIPPING INSTRUCTIONS ON TAG)

A preaddressed bill of lading is included with all refrigeration systems.

5

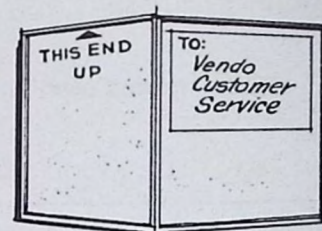
Receives replacement and stocks for future use.



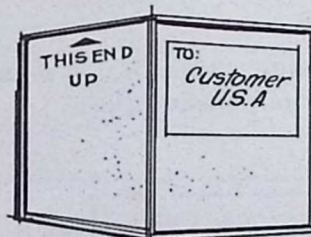
Vendo Customer Services Does —

1

Receives inoperative system.

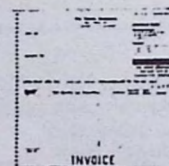


2



Ships replacement system.

3



An invoice will be issued to allow you to clear your records. There will be no charge if the returned inoperative system meets the terms of the warranty.

4

VENDO WARRANTY RECORD 17 003037

110 D 212
 Model: _____
 Customer: 5290173 2
 Shipped To: Customer
 Date: MAY 1964
 Equipment No. CY710634

Posts all information to the file card so the information on the machine will be complete to record and protect your warranty.

If the System or Ice Maker is out of warranty an exchange may be available. Refer to the parts price list.

Before Returning A Refrigeration Unit



and



How to determine the defective component in a refrigeration system.

Disconnect power supply.

☒ the thermostat (to be removed if unit is to be returned). Place the continuity test prods on terminals on rear of thermostat. Continuity light should be on when thermostat knob is on position 1 through 7. Light should be off when thermostat knob is turned to far left (off position).

☒ fan motors (evaporator motor to be removed if unit is to be returned). Both fan motors should start and run freely and be free of obstructions.

☒ the overload protector. Touch continuity prods to both terminals on rear of overload. Lamp should light if compressor is cool. If compressor is hot, wait several minutes for it to cool off.

☒ compressor relay points. Touch continuity prods to terminal "L" and "P" (red wire). Lamp should not light.

☒ compressor relay coil. Touch continuity prods to terminal "L" and "M" (white wire). Lamp should light.

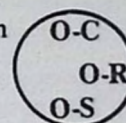
☒ compressor windings.
To determine the terminals

(1) Alphabetical order

(2) Begin at uppermost terminal

(3) Read Clockwise

{ Common
Run
Start



☒ running windings.
Touch prods to common and run terminals. Lamp should light.

☒ start windings. Touch prods to common and start windings. Lamp should light.

☒ grounded compressor. Touch one prod to each compressor terminal while holding other prod against refrigeration lines. If lamp lights at any time, compressor is grounded.

☒ hermetically sealed system. Disconnect fan motors, allow compressor to run alone. If evaporator does not frost evenly, hermetically sealed system is defective and should be returned. Nominal test period should be 3 to 5 minutes.

NOTE: If sealed system is defective remove thermostat, Evaporator fan motor, and wiring harness. These parts must be installed on the replacement unit.

To check a refrigeration system you need a Continuity test light. If you don't have one, build one now!

All you need is:

- 6 feet of 18 gauge double strand electrical wire.
- 1 two-prong wall plug
- 1 light bulb socket
- 1 10 Watt or 25 Watt light bulb

Attach the wall plug to one end of the wire.

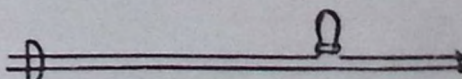
Cut one of the strands of wire.

Attach one of the cut strands to each wire or terminal on the light socket.

Strip the other end of the double strand wire back 12" to 18".

Strip 3/4" of the insulation off the two loose strands, twist the stripped ends, and solder them to give you the solid test prods.

You now own a Continuity test cord!



L-1264

THE VENDO COMPANY

RETURNED MATERIAL

All parts or assemblies returned must be accompanied by material return tags clearly stating the reason for return. (Tags are available on request.)

To replace an inoperative part within the terms of the warranty, please follow these instructions.

1. If a replacement part was taken from the available parts stock and installed on the machine, proceed as follows:

Complete a material return tag. Be sure all of the requested information is written in.

Keep the white (top) copy.

Attach the tag to the inoperative part and send it by the cheapest method of transportation to: The Vendo Company, 2001 Arthur Avenue, Elk Grove Village, Illinois 60007. (The exception to this is refrigeration units and icemakers which must be shipped to: The Vendo Company, 999 Corrington Avenue, Kansas City, Missouri.)

A like part will be shipped, prepaid, at no-charge, if our inspection shows the inoperative part became defective in warranty.

If a part does not meet the terms of the warranty, it will be replaced with a new part and invoiced accordingly. The returned part will be scrapped to eliminate further handling charges.

2. If a spare part is not available to put on the machine, order the part required. Use the postage-paid air-mail order form provided by the Customer Services Division of The Vendo Company. The part will be shipped and invoiced to you. After the replacement is received, follow the procedure as outlined above under #1.

For major components which are impractical to stock for normal replacement activity, order a replacement using the postage-paid airmail order form.

The part will be shipped and billed.

After exchange of the part on the machine, complete a material return tag. Check the box marked "Credit our account Invoice No. _____" on the material return tag. Fill in the invoice number.

Attach the tag to the inoperative part and send it by the cheapest method of transportation to: The Vendo Company, 2001 Arthur Avenue, Elk Grove Village, Illinois 60007. (Refrigeration systems and icemakers to: The Vendo Company, 999 Corrington Avenue, Kansas City, Missouri.)

If our inspection shows the inoperative part became defective in warranty, a credit will be issued to cancel the invoice on which the replacement part was shipped. This credit will include any prepaid transportation charges. To receive credit the inoperative part **must** be returned within 30 days from the date the replacement was shipped.

We do not issue cash credit for the return of any part or accessory.

**THE PART COSTING \$5.00
AND**

A FIVE DOLLAR BILL . . .

Both Have The Same Value.

PROTECT YOUR INVESTMENT IN PARTS

BY

APPLYING THE PRINCIPLES OUTLINED

IN

THIS MANUAL.

Vendo[®]

**The Vendo Company
Customer Services**